

U.S. Census Bureau News

U.S. Department of Commerce • Washington, D.C. 20233

FOR IMMEDIATE RELEASE
WEDNESDAY, APRIL 25, 2007, AT 8:30 A.M. EDT

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M3-1 (07)-3
CB07-060

Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders March 2007

New Orders

New orders for manufactured durable goods in March increased \$7.1 billion or 3.4 percent to \$214.9 billion, the U.S. Census Bureau announced today. This was the fourth increase in the last five months and followed a 2.4 percent February increase. Excluding transportation, new orders increased 1.5 percent. Excluding defense, new orders increased 4.5 percent.

Transportation equipment, up four of the last five months, had the largest increase, \$4.8 billion or 8.0 percent to \$64.9 billion. This was due to nondefense aircraft and parts, which increased \$5.6 billion.

Shipments

Shipments of manufactured durable goods in March, up following two consecutive monthly decreases, increased \$1.6 billion or 0.8 percent to \$207.8 billion. This followed a 1.4 percent February decrease.

Transportation equipment, up following two consecutive monthly decreases, had the largest increase, \$1.1 billion or 2.0 percent to \$55.4 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in March, up twenty-two of the last twenty-three months, increased \$12.6 billion or 1.8 percent to \$717.0 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 1.1 percent February increase.

Transportation equipment, up thirteen of the last fourteen months, had the largest increase, \$9.6 billion or 2.5 percent to \$394.8 billion.

Inventories

Inventories of manufactured durable goods in March, up thirteen consecutive months, increased \$0.9 billion or 0.3 percent to \$298.8 billion. This followed a 0.1 percent February increase.

Transportation equipment, up six of the last seven months, had the largest increase, \$0.6 billion or 0.9 percent to \$69.8 billion.

Capital Goods

Nondefense new orders for capital goods in March increased \$8.4 billion or 11.7 percent to \$80.2 billion. Shipments increased \$0.6 billion or 0.9 percent to \$65.6 billion. Unfilled orders increased \$14.6 billion or 3.8 percent to \$394.6 billion. Inventories increased \$0.7 billion or 0.6 percent to \$117.3 billion.

Defense new orders for capital goods in March decreased \$1.8 billion or 22.4 percent to \$6.3 billion. Shipments decreased \$0.2 billion or 2.7 percent to \$8.2 billion. Unfilled orders decreased \$1.9 billion or 1.3 percent to \$136.5 billion. Inventories decreased 0.1 percent to \$14.2 billion.

Revised February Data

Revised seasonally adjusted February figures for all manufacturing industries were: new orders, \$388.0 billion (revised from \$386.5 billion); shipments, \$386.5 billion (revised from \$387.0 billion); unfilled orders, \$704.4 billion (revised from \$702.7 billion); and total inventories, \$483.0 billion (unchanged).

Figures in text, other than year-to-date, are in seasonally adjusted current dollars. Figures on new and unfilled orders exclude data for semiconductor manufacturing. For data, call (301) 763-4673 or go to <<http://www.census.gov/m3>>.

Revised and more detailed estimates, plus nondurable goods data, will be published on May 2, 2007, at 10:00 a.m. EDT. The advance report on durable goods for April is scheduled for release on May 24, 2007, at 8:30 a.m. EDT. See back page for survey description.

Table 1. Durable Goods Manufacturers' Shipments and New Orders
[Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹					
	Monthly			Percent Change			Monthly			Year to Date		
	Mar 2007 ²	Feb 2007 ¹	Jan 2007	Feb - Mar ²	Jan - Feb ¹	Dec - Jan	Mar 2007 ²	Feb 2007 ¹	Mar 2006	2007	2006	Percent Change 07/06
<u>DURABLE GOODS</u>												
Total:												
Shipments.....	207,815	206,200	209,145	0.8	-1.4	-1.5	228,037	196,757	233,816	613,280	618,325	-0.8
New Orders ⁴	214,851	207,759	202,859	3.4	2.4	-8.8	237,511	199,851	245,225	630,458	632,522	-0.3
Excluding transportation:												
Shipments.....	152,417	151,912	153,983	0.3	-1.3	0.1	164,859	142,719	166,889	447,803	447,198	0.1
New Orders ⁴	149,903	147,629	148,290	1.5	-0.4	-3.3	163,551	141,843	165,593	445,558	443,602	0.4
Excluding defense:												
Shipments.....	198,033	196,213	199,086	0.9	-1.4	-1.5	217,285	187,148	223,379	584,906	591,761	-1.2
New Orders ⁴	207,139	198,285	193,302	4.5	2.6	-8.6	226,883	190,629	230,448	600,654	602,095	-0.2
Manufacturing with unfilled orders:												
Shipments.....	145,746	144,291	144,492	1.0	-0.1	-2.0	160,051	137,386	159,698	427,274	421,254	1.4
New Orders ⁴	158,313	152,021	146,633	4.1	3.7	-9.9	175,270	146,714	178,420	464,271	456,690	1.7
Primary metals:												
Shipments.....	18,786	18,518	18,806	1.4	-1.5	-0.8	20,046	18,187	19,286	57,081	53,722	6.3
New Orders.....	18,717	18,267	18,978	2.5	-3.7	1.2	20,090	18,365	19,519	58,219	55,328	5.2
Fabricated metal products:												
Shipments.....	24,962	24,807	24,928	0.6	-0.5	-0.1	26,164	23,631	25,849	73,263	71,504	2.5
New Orders.....	25,479	25,173	25,516	1.2	-1.3	2.2	27,644	24,529	26,983	76,888	74,324	3.4
Machinery:												
Shipments.....	27,364	26,688	26,053	2.5	2.4	-7.6	30,767	25,108	30,236	79,514	78,221	1.7
New Orders.....	28,696	27,541	27,249	4.2	1.1	-10.0	32,431	26,962	31,388	85,945	83,995	2.3
Computers and electronic products:												
Shipments.....	33,556	34,733	36,715	-3.4	-5.4	10.7	37,910	32,112	39,815	101,184	102,264	-1.1
New Orders ⁴	29,090	29,130	28,031	-0.1	3.9	-8.6	33,399	27,220	36,392	85,007	86,478	-1.7
Computers and related products:												
Shipments.....	5,964	6,480	6,312	-8.0	2.7	-1.3	7,088	5,723	7,927	17,939	18,932	-5.2
New Orders.....	6,104	6,371	6,235	-4.2	2.2	-3.7	7,228	5,614	7,949	17,893	18,576	-3.7
Communications equipment:												
Shipments.....	5,818	5,868	5,492	-0.9	6.8	4.5	6,837	5,168	6,905	16,482	16,935	-2.7
New Orders.....	6,481	5,769	5,643	12.3	2.2	-16.9	7,821	5,591	8,618	18,505	19,452	-4.9
Semiconductors:												
Shipments.....	5,531	6,171	8,427	-10.4	-26.8	65.6	5,745	6,234	7,313	19,819	21,239	-6.7
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	10,512	10,328	10,426	1.8	-0.9	2.9	11,333	9,621	10,774	30,250	28,773	5.1
New Orders.....	10,928	10,661	11,160	2.5	-4.5	10.2	11,506	10,534	10,601	32,638	30,756	6.1
Transportation equipment:												
Shipments.....	55,398	54,288	55,162	2.0	-1.6	-5.6	63,178	54,038	66,927	165,477	171,127	-3.3
New Orders.....	64,948	60,130	54,569	8.0	10.2	-21.1	73,960	58,008	79,632	184,900	188,920	-2.1
Motor vehicles and parts:												
Shipments.....	38,374	37,302	37,036	2.9	0.7	-9.0	43,340	37,762	47,120	115,619	123,327	-6.3
New Orders.....	38,392	37,148	37,011	3.3	0.4	-9.8	43,122	37,799	47,171	116,020	124,682	-6.9
Nondefense aircraft and parts:												
Shipments.....	8,251	8,173	8,777	1.0	-6.9	8.2	10,064	7,870	9,822	24,417	22,753	7.3
New Orders.....	20,556	14,942	7,410	37.6	101.6	-60.4	22,329	12,483	19,762	42,232	36,486	15.7
Defense aircraft and parts:												
Shipments.....	3,516	3,618	3,705	-2.8	-2.3	-1.8	4,006	3,358	3,866	10,155	9,625	5.5
New Orders.....	1,668	3,256	2,616	-48.8	24.5	-58.8	3,015	3,112	4,903	8,918	12,406	-28.1
All other durable goods:												
Shipments.....	37,237	36,838	37,055	1.1	-0.6	-3.7	38,639	34,060	40,929	106,511	112,714	-5.5
New Orders.....	36,993	36,857	37,356	0.4	-1.3	-3.1	38,481	34,233	40,710	106,861	112,721	-5.2
Capital goods: ³												
Shipments.....	73,736	73,396	73,770	0.5	-0.5	-2.0	83,548	68,862	84,604	215,871	214,845	0.5
New Orders.....	86,471	79,917	73,485	8.2	8.8	-18.3	97,964	74,985	98,787	243,280	237,380	2.5
Nondefense capital goods:												
Shipments.....	65,565	64,996	65,506	0.9	-0.8	-2.3	74,684	60,681	76,012	192,092	192,559	-0.2
New Orders.....	80,163	71,792	65,409	11.7	9.8	-20.2	89,136	67,051	85,759	217,997	212,103	2.8
Excluding aircraft:												
Shipments.....	60,349	59,958	59,951	0.7	0.0	-3.1	67,860	55,831	69,119	176,905	177,913	-0.6
New Orders.....	63,143	60,308	61,705	4.7	-2.3	-6.2	70,983	58,380	71,837	187,372	188,542	-0.6
Defense capital goods:												
Shipments.....	8,171	8,400	8,264	-2.7	1.6	0.3	8,864	8,181	8,592	23,779	22,286	6.7
New Orders.....	6,308	8,125	8,076	-22.4	0.6	1.4	8,828	7,934	13,028	25,283	25,277	0.0

NA Not Available ¹ Revised

¹ Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations; unfilled orders and total inventories are as of the end of the period and are not adjusted for trading-day or calendar-month variations.

² Based on advance sample. Estimates of manufacturers' shipments, inventories, and orders are subject to survey error and revision. One major component of survey error is nonsampling error, which includes errors of coverage, response and nonreporting. Since the survey panel is not a probability sample, estimates of sampling error cannot be calculated. Further details on survey design, methodology, and data limitations are contained in our most recent annual benchmark publication, Current Industrial Reports: M3-3(05), "Manufacturers' Shipments, Inventories, and Orders: 1992-2005."

³ The Capital Goods Industries include Nondefense: small arms and ordnance; farm machinery and equipment; construction machinery; mining, oil, and gas field machinery; industrial machinery; vending laundry, and other machinery; photographic equipment; metalworking machinery; turbines and generators; other power transmission equipment; pumps and compressors; material handling equipment; all other machinery; electronic computers; computer storage devices; other computer peripheral equipment; communications equipment; search and navigation equipment; electromedical, measuring, and control instruments; electrical equipment; other electrical equipment, appliances, and components; heavy duty trucks; aircraft; railroad rolling stock; ships and boats; office and institutional furniture; and medical equipment and supplies.

Defense Capital Goods include: small arms and ordnance, communications equipment, aircraft; missiles, space vehicles, and parts, ships and boats, and search and navigation equipment

⁴ Data on new and unfilled orders are not available for the semiconductor industry. Estimates and percent changes for new orders and unfilled orders exclude semiconductor industry data. Inventories for semiconductor industry data are included in computers and electronic products and total durable goods industries, but are not shown separately.

Table 2. Durable Goods Manufacturers' Unfilled Orders and Total Inventories
[Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹			
	Monthly			Percent Change			Monthly			Percent Change 2007/2006
	Mar 2007 ²	Feb 2007 ^r	Jan 2007	Feb - Mar ²	Jan - Feb ^r	Dec - Jan	Mar 2007 ²	Feb 2007 ^r	Mar 2006	
<u>DURABLE GOODS</u>										
Total:										
Unfilled Orders ⁴	717,014	704,447	696,717	1.8	1.1	0.3	728,352	713,133	607,864	19.8
Total Inventories.....	298,772	297,912	297,605	0.3	0.1	0.4	297,638	300,388	274,995	8.2
Excluding transportation:										
Unfilled Orders ⁴	322,212	319,195	317,307	0.9	0.6	0.9	327,499	323,062	288,931	13.3
Total Inventories.....	228,982	228,732	228,564	0.1	0.1	0.2	228,197	230,751	211,014	8.1
Excluding defense:										
Unfilled Orders ⁴	567,186	552,549	544,306	2.6	1.5	0.5	574,039	558,696	463,456	23.9
Total Inventories.....	280,088	279,377	278,921	0.3	0.2	0.4	278,998	281,818	256,002	9.0
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	717,014	704,447	696,717	1.8	1.1	0.3	728,352	713,133	607,864	19.8
Total Inventories.....	233,320	232,984	232,781	0.1	0.1	0.7	232,523	234,859	213,644	8.8
Primary metals:										
Unfilled Orders.....	25,960	26,029	26,280	-0.3	-1.0	0.7	26,943	26,899	26,880	0.2
Total Inventories.....	30,078	29,725	29,780	1.2	-0.2	-0.7	30,036	29,861	26,046	15.3
Fabricated metal products:										
Unfilled Orders.....	55,063	54,546	54,180	0.9	0.7	1.1	55,508	54,028	49,925	11.2
Total Inventories.....	38,421	38,371	38,469	0.1	-0.3	0.3	38,866	38,887	35,427	9.7
Machinery:										
Unfilled Orders.....	81,240	79,908	79,055	1.7	1.1	1.5	83,206	81,542	67,479	23.3
Total Inventories.....	48,235	48,161	47,793	0.2	0.8	0.7	48,386	48,831	44,342	9.1
Computers and electronic products:										
Unfilled Orders ⁴	123,427	122,362	121,794	0.9	0.5	-0.2	125,158	123,924	113,028	10.7
Total Inventories.....	46,463	46,685	46,813	-0.5	-0.3	0.3	45,067	46,806	42,487	6.1
Computers and related products:										
Unfilled Orders.....	4,418	4,278	4,387	3.3	-2.5	-1.7	4,418	4,278	4,346	1.7
Total Inventories.....	4,431	4,420	4,449	0.2	-0.7	-0.3	4,151	4,424	3,963	4.7
Communications equipment:										
Unfilled Orders.....	38,051	37,388	37,487	1.8	-0.3	0.4	38,761	37,777	35,529	9.1
Total Inventories.....	9,684	9,940	10,115	-2.6	-1.7	1.4	9,410	10,158	9,825	-4.2
Semiconductors:										
Unfilled Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:										
Unfilled Orders.....	24,135	23,719	23,386	1.8	1.4	3.2	24,407	24,234	19,817	23.2
Total Inventories.....	14,359	14,375	14,384	-0.1	-0.1	-0.5	14,467	14,645	13,378	8.1
Transportation equipment:										
Unfilled Orders.....	394,802	385,252	379,410	2.5	1.5	-0.2	400,853	390,071	318,933	25.7
Total Inventories.....	69,790	69,180	69,041	0.9	0.2	1.1	69,441	69,637	63,981	8.5
Motor vehicles and parts:										
Unfilled Orders.....	19,754	19,736	19,890	0.1	-0.8	-0.1	20,419	20,637	18,447	10.7
Total Inventories.....	24,448	24,516	24,605	-0.3	-0.4	1.0	24,411	24,754	23,433	4.2
Nondefense Aircraft and parts:										
Unfilled Orders.....	249,976	237,671	230,902	5.2	2.9	-0.6	251,881	239,616	181,167	39.0
Total Inventories.....	26,287	25,739	25,396	2.1	1.4	1.4	26,083	25,863	21,701	20.2
Defense Aircraft and parts:										
Unfilled Orders.....	44,694	46,542	46,904	-4.0	-0.8	-2.3	46,183	47,174	48,289	-4.4
Total Inventories.....	11,785	11,588	11,650	1.7	-0.5	-0.3	11,742	11,585	11,439	2.6
All other durable goods:										
Unfilled Orders.....	12,387	12,631	12,612	-1.9	0.2	2.4	12,277	12,435	11,802	4.0
Total Inventories.....	51,426	51,415	51,325	0.0	0.2	0.3	51,375	51,721	49,334	4.1
Capital goods:³										
Unfilled Orders.....	531,076	518,341	511,820	2.5	1.3	-0.1	539,376	524,960	437,230	23.4
Total Inventories.....	131,546	130,815	130,381	0.6	0.3	0.1	130,640	131,885	121,099	7.9
Nondefense capital goods:										
Unfilled Orders.....	394,612	380,014	373,218	3.8	1.8	0.0	398,824	384,372	306,458	30.1
Total Inventories.....	117,298	116,554	116,113	0.6	0.4	0.0	116,393	117,586	106,688	9.1
Excluding aircraft:										
Unfilled Orders.....	173,248	170,454	170,104	1.6	0.2	1.0	176,136	173,013	149,835	17.6
Total Inventories.....	97,575	97,558	97,455	0.0	0.1	0.6	96,738	98,480	89,995	7.5
Defense capital goods:										
Unfilled Orders.....	136,464	138,327	138,602	-1.3	-0.2	-0.1	140,552	140,588	130,772	7.5
Total Inventories.....	14,248	14,261	14,268	-0.1	0.0	1.2	14,247	14,299	14,411	-1.1

See footnotes at end of Table 1

Survey Description

This report is compiled from results of the U.S. Census Bureau's Manufacturers' Shipments, Inventories, and Orders (M3) survey. This survey provides statistics on manufacturers' value of shipments, new orders (net of cancellations), end-of-month order backlog (unfilled orders), end-of-month total inventory (at current cost or market value), and inventories by stage of fabrication (materials and supplies, work-in-process, and finished goods). The M3 includes approximately 4,200 reporting units. Units may be divisions of diversified large companies, large homogenous companies, or single-unit manufacturers in 89 industry categories. Due to the small monthly sample, these 89 categories have been combined into 59 publication levels. The survey methodology assumes that the month-to-month changes of the total operations of those companies in the monthly survey effectively represent the month-to-month movements of all establishments that make up the category. The current coverage levels in the survey show that reported data in the monthly survey represent approximately 62 percent of the shipments estimates at the total manufacturing level. Data published represent manufacturing in a calendar month. The data collection is based on a voluntary survey authorized by Title 13 of the United States Code.

The data presented in this release are based on data obtained from a panel of 4,200 reporting units and provide an indication of the activity within the manufacturing sector. The results differ from what would be obtained from a complete enumeration of all manufacturing companies. In addition, a different panel of 4,200 companies would yield different results. The M3 panel is comprised of companies with \$500 million or more in shipments and a limited number of smaller companies. From a statistical perspective, the panel is not a probability sample; therefore, the sampling errors that are normally provided with sample surveys cannot be measured. Nonsampling errors are attributable to many sources. The use of company or divisional reports to estimate the monthly change for establishments is one source of nonsampling error. The use of primarily large companies to represent the month-to-month movement of all companies is another potential source. Any corrections will be published in the full report. Corrections received after the full report will be released in the next month's advance report. Any revisions made later than two months will be reflected in the annual benchmark publication.

Additional survey documentation can be found on our web site: <http://www.census.gov/m3>.

NOTICE

Revised historical data for Manufacturers' Shipments, Inventories, and Orders will be issued on May 18, 2007. These revisions reflect:

- benchmarking the shipments and inventory data to the 2005 Annual Survey of Manufactures (ASM) data;
- adjusting new orders and order backlog to be consistent with the benchmarked shipments and inventory data;
- correcting monthly data for late receipts, reclassifications of reported data, and revisions to previously reported data; and
- updating the seasonal adjustment factors for all series.

For revised historical data go to <http://www.census.gov/m3/hist/naicshist.htm>. An accompanying press release will include the revised 2007 January through March data. Please call Chris Savage on (301)763-4832 with questions.